

# SUCCESS STORY

## A Marketing Strategy that Pays

**Sound marketing strategies lead to rapid revenue increases**



Photo courtesy of Bosnia LAMP

*Some of Belladonna's products in their new, uniform packaging.*

***USAID's Bosnia LAMP provided training in packaging, sales, promotional techniques, and assistance in fair presentations.***

Belladonna is a small family business established in 1990 that collects, processes and distributes natural-based forest products including wine, juice and vinegar. The company began operations with limited production, home-style processing, and basic packaging—a recipe for low revenues.

Over a four-year period, USAID's Bosnia LAMP program provided Belladonna with technical and financial support for production optimization and marketing activities. As a result, Belladonna redesigned its packaging to use only two bottle sizes, replaced coil cork with premium cork, and harmonized labeling by applying consistent graphical symbols. Now, Belladonna's products are more recognizable.

The company also focused on its distribution strategy, marketing to drugstores in addition to supermarkets. By signing an agreement with a leading wholesale company, Belladonna's products became available in more than 50 drugstores in one day. With LAMP's help, Belladonna's representatives participated in a number of fairs, including Zagreb fair and Prime Marketing fair in Croatia, BIOFACH fair in Germany, International Agricultural fair in Serbia, and Mostar Fair in Herzegovina.

With all this effort, Belladonna significantly increased its production (from 37 tons in 2003 to 60 tons in 2007) and revenues (a 40% increase in 2006). Today, Belladonna is a market leader in Bosnia and Herzegovina in the natural-based forest sector. Belladonna's products include blackberry wine, fruit beverages (tursija), fruit and herb syrups, blackberry and blueberry juices, cranberry syrup for diabetic patients and apple vinegar, which are distributed to pharmacies and supermarkets (healthy food departments) throughout BiH.

# SUCCESS STORY

## Farmers improve yields and quality

### Local extension services train farmers to improve yields and product quality

Zimska škola za proizvođače mlijeka u Velikoj Sočanici

#### Farmers obtain first diplomas in their lives

U prvoj grupi obuku uspješno završilo 45 polaznika • Teoriju primijenili u praksi

U organizaciji Zimskih škola za proizvođače mlijeka u Velikoj Sočanici, u okviru projekta LAMP, USAID i LAMP iz Tuzle, Agencije za proširivanje znanja i Poljoprivrednog savjeta u Derventu, održana je prva zimska škola za proizvođače mlijeka.

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Stanoje Lazarevic, predstavnik ZZ Lan, koji je završio prvu zimu u Derventu.

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An article which appeared in Dnevni Avaz (widely read newspaper in Bosnia and Herzegovina) on March 3, 2007.

**USAID initiated winter school for dairy farmers in cooperation with a local cooperative and extension services. Most farmers received first diplomas in their lives following the completion of the course.**

Dairy farmers in northern Bosnia's Derventa region have never had access to comprehensive dairy training, which has kept them from producing high-quality milk.

USAID's Bosnia LAMP program responded to the farmers' needs by partnering with Cooperative ZZ Lan from Velika Socanica, the Republika Srpska Agriculture Extension Agency, and the Tuzla Agriculture Extension Service to initiate the first-ever winter school for Derventa dairy producers. The first month-long course was successfully completed by 45 attendees who received certificates of completion at a ceremony held at ZZ Lan.

"In the region covered by our cooperative, daily milk production reaches 20,000 liters, and with the training of farmers and purchase of new dairy cows, this production should increase by an additional 10,000 liters of milk," said Zeljko Lazarevic, Director of ZZ Lan.

Local farmer Stanoje Lazarevic successfully completed the training. He has 17 dairy cows at his farm and produces about 300 liters of milk each day.

"This is my first certificate obtained ever," he said. "I am particularly happy to have received it for the business I have been doing for my entire life. I plan to purchase an additional 13 dairy cows."

Suad Selimovic, representative of the Dairy Cluster for the BiH northeastern region, said the most important thing is that the newly trained farmers apply what they've learned.

# SUCCESS STORY

## Business mushrooms at Bosnian company

**LAMP helps Mushroom d.o.o. become a leading producer of organic mushrooms**



Photo courtesy of Bosnia LAMP

*A staff member at Mushroom d.o.o. with an exceptionally large mushroom.*

In 2001, Milan Zoric and Boran Maglov combined their respective experience in finance and medicinal and aromatic plants and created Mushroom d.o.o. The company became a leading organically certified producer of mushrooms and was inundated with orders.

The USAID-funded Bosnia LAMP program collaborated with the business to provide technical assistance and a grant to increase the company's cooling and drying capacity.

Working with LAMP, Mushroom d.o.o. increased sales dramatically (from 130 tons in 2003 to 200 tons in 2007), all of which is exported to the EU. Due to increased productivity and processing capacity, the firm has dramatically increased its number of full-time and part-time employees and generated significant rural employment. The company's wild mushroom collectors increased from 300 in 2003 to 600 in 2007.

The company's leaders are aware that long-term economic success depends on sustainable harvesting of mushrooms, so it has established harvesting procedures according to organic principles. The company is now organically certified by IMO of Switzerland, a certification that is helping Mushroom d.o.o. access niche markets in Europe. In addition, the company has implemented a HACCP system to ensure high hygiene standards and product quality as demanded by buyers.

"After implementing the purchase of new equipment, a project supported by a USAID grant, we increased income by more than 30% in the first year," said Milan Zoric, owner of Mushroom d.o.o. "With this increased capacity our company is able to double the raw mushrooms we process. Also, with the new freezing chamber the company does not need to rent cooling space any more. This means that the company will save 8,000 KM (about \$6,400 U.S. dollars) per year."

# SUCCESS STORY

## GLOBALGAP opens doors for success

### **GLOBALGAP certification allows BiH fruit and vegetable producers to access EU markets**



Photo courtesy of Bosnia LAMP

*Director of Vegic Commerce, the first GLOBALGAP-certified producer in Bosnia and Herzegovina*

*USAID provided intensive training in production methods according to GLOBALGAP standard and provided assistance with certification.*

Fruit and vegetable producers must meet strict food safety and phytosanitary standards if they wish to export products to the European Union. Most EU buyers are also demanding the adoption of the GLOBALGAP standard—a European retailers' standard on Good Agricultural Practices. In 2006, none of the producers in Bosnia and Herzegovina had this certification, which significantly reduced access to the EU market.

To help BiH fruit and vegetable producers tap the great business potential offered by the EU, USAID's Bosnia LAMP program provided assistance to companies that could benefit from GLOBALGAP certification. Participants received training in production methods and certification assistance.

LAMP raised awareness of GLOBALGAP standards by conducting a series of train-the-trainer sessions and study tours. In addition, LAMP provided comprehensive training on technical topics including irrigation and fertilization, greenhouse management and integrated pest management through the Israeli Centre for International Cooperation (MASHAV.) This training provided producers with ideas on modern techniques for fruit and vegetable production in compliance with EU standards. Importantly, LAMP staff also provided direct technical assistance to producers to help them address specific issues regarding GLOBALGAP compliance.

GLOBALGAP has proven to be an excellent framework for promotion of increased food safety, worker safety and environmental protection. Production techniques have improved with increased use of Integrated Pest Management techniques, leading to safer and higher quality products on the market. By the end of 2007, four producers in Bosnia and Herzegovina were GLOBALGAP certified.

# SUCCESS STORY

## Fairs create new business linkages

### **Medicinal and aromatic plant-based product producers enter new markets**



Photo courtesy of Bosnia LAMP

*A honey-producer from Bosnia and Herzegovina exhibits at a local fair.*

***USAID helped producers of medicinal and aromatic plant-based products participate in a number of local, regional and international fairs so they could enter new, high-value markets.***

Dozens of companies in Bosnia and Herzegovina produce teas, essential oils, honey, health products, and other products made with indigenous medicinal and aromatic plants. Many of the companies have only a limited understanding of international markets and consumer demands, which results in slow business growth.

USAID's Bosnia LAMP program helped some of the country's companies sell specialty products by helping them showcase their products at local, regional and international fairs. The fairs promote new business opportunities and help companies become more attuned to consumer demands so they can develop new value-added products.

Nineteen such companies visited BioFach Fair in Germany, a major event in the organic food industry. Participating companies had the opportunity to obtain current industry information and technical knowledge and participate in seminars relevant to their fields. LAMP-sponsored businesses established 230 new business contacts with potential transaction value estimated at \$500,000. Some companies, such as Herzeg Med—a honey producer based in Herzegovina—made contact with a packaging supplier, allowing it to save money by purchasing its packaging materials directly from the producer.

Over the course of the weeklong tour, Bosnia and Herzegovina's own companies were able to make contact with one another. After the fair, a number of companies engaged in cooperative efforts, resulting in new linkages. In addition, at least five other companies established new contacts with companies from Germany, France, Belgium and the U.S. with transaction values totaling approximately \$800,000.

In addition to Biotech Fair, LAMP helped companies participate in other fairs including the Natural Products Expo West Fair in California, SANA Fair in Italy, Natural Organic Fair in Dubai, and other local fairs. As a result, the companies have benefited from substantial business linkages.

# SUCCESS STORY

## From Plastic Buckets to Milk Tanks

**Local association improves milk collection and increases sales to local dairies**



*Women of the Tesanj Usora region next to the newly acquired lacto-freezer.*

**USAID helped the local association obtain lacto-freezers and provided technical assistance to improve milk quality, hygiene and dairy cattle feeding.**

The Tesanj Usora Region's Association of Women Farmers used to constantly struggle with milk storage. Many women carried milk in plastic buckets 10-15 kilometers to the main road and hoped passing dairy trucks would stop and pick up the milk. Often, the trucks would not stop and the milk would have to be thrown away.

In addition to providing technical assistance to improve milk quality, USAID's Bosnia LAMP program helped the association obtain a 500 liter lacto-freezer, which was located in a village where most of the association's milk is produced. Motivated by LAMP's quick action, the association also negotiated four additional smaller lacto freezers from another donor (IFAD).

LAMP also linked the association to Tuzla Dairy and, in July 2004, the dairy signed a contract to purchase 250,000 liters of milk. Each year, the association and the dairy negotiated new agreements. By 2007, the association had sold 1,900,000 liters of milk to local dairies.

The Association of Women Farmers has strengthened each year, increasing its membership from 100 members in 2003 to 560 members in 2007.

# SUCCESS STORY

## LAMP helps association (and cows) grow

### **Association increases milk production through better nutrition management**



Photo courtesy of Bosnia LAMP

*Members of the Jezerski Association use a new baler.*

***USAID provided training and assisted with the purchase of a baler to improve nutrition management and increase milk production.***

In 2004, Jezerski Association had 24 members who supplied Meggle Dairy with approximately 1,000 liters of milk a day. But, association members wanted to increase membership and increase milk production per cow to improve economies of scale.

Through training provided by USAID's Bosnia LAMP program, association members learned how to increase cow's milk productivity through improved nutrition. To help demonstrate nutrition's connection to milk productivity, LAMP arranged a study tour to the Netherlands for nine trainees from throughout the country. Attendees learned about soil nutrition management and how to increase forage productivity while decreasing feed costs.

Association members realized cow nutrition is particularly improved by providing better grass silage to the cows. Silage that is baled by a round baler stores better and is better preserved, ultimately increasing milk yields. Unfortunately, although round balers are common in other countries, they are very rare in Bosnia and Herzegovina.

USAID assisted Jezerski Association in the purchase of a baling machine. The association trained all its members to use the bailer, and through use of this new equipment, the association improved nutrition and increased milk production by 10% to 15% during winter feeding.

Today, 96 farmers belong to the Jezerski Association, which supplies dairies with approximately 5,200 liters of milk per day.

# SUCCESS STORY

## Beekeepers find sweet success

### Local apicultural union expands membership and production



Photo courtesy of Bosnia LAMP

*Beehives on the property of a Union member.*

***USAID provided the Tuzla Canton Beekeeping Union with apiculture training and assisted the organization with presentation at fairs, association building and data management.***

When the Tuzla Canton Beekeeping Association was established in 1998, it had only four association members and 50 beekeepers with up to 8,000 beehives. The union was small and had a small market presence and poor connections with neighboring beekeeping organizations.

Since 2004, USAID's Bosnia LAMP program has worked with the Tuzla Canton Beekeeping Union to build capacity for both the organization and its member associations. Both local and foreign experts provided significant technical training, and LAMP also implemented an experience exchange program to share the experiences of a U.S. honey producer and businessman. LAMP also assisted with production of an informative booklet on bee diseases and bee protection. And, in partnership with the union and local associations, LAMP supported a beekeeping school by providing training materials.

LAMP also helped with union marketing, supporting beekeepers' attendance at major fairs in Bosnia and Herzegovina and neighboring countries. The union also developed a new logo, promotional brochures and a protection label.

With the help of USAID, the union also established a solid partnership with the cantonal government, resulting in inclusion of the apiculture sector in the Tuzla Canton Law on subsidies. The union received approximately \$400,000 worth of incentive funds which were distributed to the members to encourage further beehive expansion. Today the union actively participates in the drafting of relevant regulations at the Cantonal and Federal level.

Now, the union consists of 14 associations with approximately 1,500 members and 45,000 beehives. All information is recorded on a database developed by LAMP, which provides information on production levels, type and number of beehives, presence of diseases and other vital information.



# SUCCESS STORY

## Off-season training improves productivity

**Local extension services train farmers to improve yields and product quality**

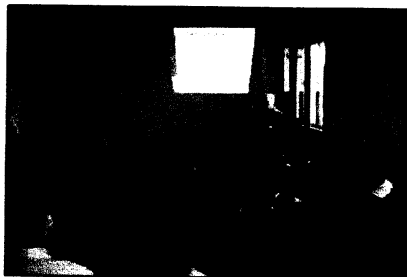


Photo courtesy of Bosnia LAMP

*Training session in a small rural town in north-eastern Bosnia*

***LAMP initiated off-season farmer trainings in northeast Bosnia and, over time, local training institutions took over this responsibility to ensure sustainable provision of extension services in that region.***

The lack of continual extension support throughout Bosnia and Herzegovina lowers farmers' ability to learn new agricultural methods, hampering gains in productivity and product quality.

USAID's Bosnia LAMP program considers extension support a vital key to farmers' success, and has worked closely with training institutions in northeast Bosnia to organize extensive off-season (winter) training for farmers. LAMP teamed with training institutions in northeast Bosnia, with each institution representing BiH's three ethnic groups. With LAMP assistance, the institutions prepared presentations for each selected training topic.

In the first winter of late 2004, LAMP fully funded the training and presented more than half of the trainings. At the next year's winter training, 39 sessions were attended by 1,888 farmers. In the 2005/2006 winter season, the number of training sessions increased to 74 with 2,375 farmers in attendance. This second season, LAMP did not provide financial support and presented less than half of the trainings.

During the 2006/2007 winter training, USAID and training institutions actively worked to ensure the winter training program's sustainability. By that time, the trainings had further expanded and covered not only individual farmers, but also cooperatives and associations that expressed an interest in member trainings. In addition, Winter School for Advanced Dairy Farmers was initiated by Dobož Extension Service and cooperative LAN and was held at five locations. Winter School for Dairy Farmers was attended by 202 farmers.

In 2007/2008 winter season, both the winter training and Dairy School continued operating without USAID's support.

# SUCCESS STORY

## Farmers use computers to improve milk

### **Bosnia LAMP's Dairy Herd Improvement Program uses computers to improve milk quality**



Photo courtesy of Bosnia LAMP

*Staff at Agriculture Institute in Una-Sana Canton will lead the implementation of the DHIP program following USAID's technical assistance and provision of necessary software and equipment.*

Medium-sized commercial dairy farmers in Bosnia and Herzegovina have long struggled to maintain high milk quality and quantity and identify the causes of sudden drops in cow fertility and health. The farmers often struggle to identify environmental influences on milk production and are unable to find appropriate management solutions to identified problems. Farmers often can't identify sick animals, causing milk quality to suffer.

To overcome these problems, the USAID-funded Bosnia LAMP program launched the Dairy Herd Improvement Program (DHIP)—an information management system that allows dairy farmers to operate their farms with modern business practices. The program was launched in six regions in Bosnia and Herzegovina and involved 40 farmers with a total of 892 cows. Program participants regularly collected milk samples for laboratory analysis and measured production per cow—all information they entered into the DHIP software provided by USAID. The information was designed to help the farmers make better decisions about all aspects of dairy herd management.

The program had a difficult start because farmers were reluctant to put in the monitoring time that was necessary to operate the program. They also were unaware of the influence the computer software could have in decision-making for the farm's best interest. However, over time, farmers realized clear benefits of the program and new farmers joined the program each year. DHIP provides:

- Information on lactation periods, allowing farmers to vary the feed formula for each cow to optimize production;
- Information on each cow's fertility, which helps when the farmer wants to schedule calving;
- Information on environmental influences on milk production;
- Information on herd and individual cow health, which allows the farmer to isolate sick animals;

## **Bosnia LAMP's Dairy Herd Improvement Program uses computers to improve milk quality**

- Basis for the implementation of breeding programs, because the program helps a farmer to identify and breed his most productive cows;
- Basis for trade and sale of animals;
- An avenue for determining production mistakes.

Several agriculture institutes in Bosnia and Herzegovina have also noticed the program's benefits and have incorporated DHIP into operational activities to ensure that dairy farmers can continue improving milk quality in the future.